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3 February 1956

MEMORANDUM FOR : Project Contracting Officer

SUBJECT : Continuation of Flight Test Program

1. The attached schedule of costs for continuing the flight test program at Watertown is an estimate based on rates of payment during the past five months. [redacted] informally indicated that the cost estimate is probably high. However, since payment will be made on work performed, the schedule appears reasonable.

2. There are two points that should be discussed with [redacted]. It is noted that all personnel including pilots are scheduled for 60 hours of work per week. It appears that more justification is required in this area. The other point is more justification for a \$5,000 per month bonus figure.

3. It is noted that expenditures to 1 January 1956 show flight bonus payments of \$63,000. This item should be closely scrutinized and reviewed with [redacted]. It is my opinion that the total bonus paid for flight hazard is justified provided there is equal distribution of these funds among all the pilots operating the aircraft at extremely high altitudes. Another item which should be investigated is that regarding cost chargeable to the C-47 ferry and support operations. You will recall that a letter from your office requested the company to justify the hours of operation of this aircraft. To my knowledge no such report has been submitted.

[redacted]  
Deputy Project Director

Att: [redacted]

Cy 1 - Contr. Officer  
2 - Proj. Dir.  
3 - OJR  
4 - Chron.

OJR/hh

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